bowood | managing agents

CLIENT MONIES HANDLING PROCEDURE

Our Commitment

Bowood (London) Ltd (Company No 11438069 and RICS Registered Firm No 830272) is committed to complying with the RICS Professional Statement Client Money Handling (1st Edition, October 2019).

Bowood (London) Ltd is registered with the RICS Money Protection Scheme.

This document sets out our Client Money handling procedures. This is to ensure that:

- Client Money is kept safe.
- Client Money accounts are used for appropriate and agreed purposes only.
- We have controls and procedures in place.
- Client Money is always available for clients and bank accounts cannot go overdrawn.

Definition of Client Money

Client Money is defined by RICS as “money or any currency (whether in the form of cash, cheque, draft or electronic transfer that:

- A RICS regulated firm holds for or receives on behalf of another person, including money held by a regulated firm as stakeholder and

- Is not immediately due and payable on demand to the RICS regulated firm for its own account”.

Client Money excludes any fees paid in advance to Bowood (London) Ltd for professional work agreed to be performed and are identifiable as such.

Client Accounts

Prior to holding Client Money, we complete checks in accordance with anti-money laundering guidance to ensure we verify the identity of the client prior to holding Client Money on their behalf.

We notify the bank in writing that money in a client account is held as Client Money to ensure the bank does not combine the account with any other account or exercise their right to set-off or counterclaim against money owed to it on any other account of the firm. We receive written acknowledgement from the bank relating to these terms.

Client Money is initially received into one of two general client accounts – Bowood (London) Limited Clients Rent Account or Bowood (London) Limited Clients Service Charge Trust Account and thereafter transferred into designated individual discrete client accounts.

Our general client accounts are bank accounts holding Client Money received on behalf of more than one client.

Client bank accounts include the word ‘Client’ in the name to distinguish the accounts from an office or any other account.

Client Monies are held separately to our own office monies and are easily identifiable and immediately available.

Within the general client bank accounts Client Money is recorded and segregated into individual discrete client accounts and ledgers.

Systems and Controls

- We use T&H property management software and RBS Client Monies Service to administer Client Money.

- All our computer systems are password protected.

• Our system provides details of all money received into and paid from client accounts and shows running balances of all Client Money held in that account.

• We use ledgers and discrete client accounts to identify receipts and payments for each client.

• We generate quarterly reports on all Client Money that we are holding and the movement in and out of Client Money.

• Client balances are always immediately available.

• A central list of client bank accounts is maintained.

• Reconciliations are completed monthly for each client account.

• Overdrawn balances on client ledgers are prevented by our accounting systems and controls put in place. If they do occur, they are investigated and immediately corrected.

• Any cheques received are paid into client bank accounts on the same or next working day.

Authorisation for Payments from a Client Account

Only the sole Director can authorise the payment of monies from a client account.

All payment requests are accompanied with supporting documentation that has been checked and authorised.

We employ competent personnel familiar with RICS rules that are responsible for processing Client Money.

Interest and Bank Charges

For those client bank accounts which are interest bearing the management agreement sets out whether interest is retained by Bowood (London) Ltd or is payable to the client account.

All bank charges are borne by Bowood (London) Ltd currently, but this is subject to an annual review.

Reconciliation and Reporting

• Bank accounts are reconciled monthly using a three-way reconciliation between the bank, general ledger and individual client ledgers as required by the RICS.

• We account for rent collected to our clients on a quarterly basis as set out in writing in each client's management agreement.

• Reconciliations are reviewed and signed off by the sole Director.

• All accounting records for each property and client are kept for a period of at least 6 years.

Handling of Unidentified Funds

We will investigate any unidentified funds received into a client bank account with reference to our accounting and management records and liaising with our bank if necessary. Should our enquiries remain inconclusive we would: -

- Make a detailed listing of unidentified funds including the date the monies were received, how they were received and the reference on the bank statement regarding the payer and the amount.

- In the extremely unlikely event of funds remaining unidentified for more than three years from receipt we would be required to pay the funds to a registered charity and obtain an indemnity for reimbursement should the beneficial owner become known.

Last updated April 2024